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# City of Detroit

## CITY COUNCIL

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TO: The Honorable City Council

FROM: David Whitaker, Director  
Legislative Policy Division Staff

DATE: February 17, 2014

RE: **REVIEW OF CONTRACTS AND PURCHASING FILES**

Attached is the list of contracts and purchase orders recommended by the Finance Department, Purchasing Division, and submitted to the City Council for referral to the Committees on February 18, 2014.

The comments and review of the Legislative Policy Division staff are printed in bold following the contracts.

### Attachments

cc:	Janice Winfrey	City Clerk
	Mark Lockridge	Auditor General
	Palencia Mobley	Mayor's Liaison
	Boysie Jackson	Purchasing Division
	Irvin Corley	Legislative Policy Division
	Marcell Todd	Legislative Policy Division

Statistics compiled for the list of Contracts and Purchases submitted for referral on February 18, 2014.

<b>Department</b>	<b>No. of Contracts or Purchase Orders</b>	<b>Detroit-Based Business Bids</b>	<b>Change, Extension Increases, Renewals</b>	<b>Located in Detroit</b>
Inform.Tech.Serv. 1 Contract for City-Wide services	1	0	1 Extension	0
Plan. & Development	1	0	0	1
Transportation	2	0	2 Amendments	2
Water and Sewerage	1	0	0	1
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<b>Totals</b>	<b>5</b>	<b>0 Detroit-Based Business Bids</b>	<b>2 Amendments</b>	<b>4</b>

This list represents appropriations totaling approximately \$ 32,296,717.00<sup>1</sup>

Included in the total costs are the following:

City General Fund	\$ 2,500,000.00 <sup>2</sup>
Grant Funds	\$ 58,299.00
Water & Sewerage Bond Funds	\$ 29,738,418.00

<sup>1</sup> This list includes: New Contracts for a term of 1 year and 2 ½ years; Contract extension for 1 year; amendments to continuing contracts

<sup>2</sup> ITS contract may be funded through grant funds, or other funds in addition to General Fund, depending on the Department using the contract to purchase equipment.

**TO: The Honorable City Council**

**FROM: David Whitaker, Director  
Legislative Policy Division**

**DATE: February 17, 2014**

**RE: CONTRACTS AND PURCHASE ORDERS SCHEDULED TO BE CONSIDERED AT  
THE FORMAL SESSION OF FEBRUARY 18, 2014**

### **INFORMATION TECHNOLOGY SERVICES**

2852020 100% City Funding – To Provide Procurement of Hardware/Software Items – Company: The OAS Group, Inc., Location: 1748 Northwood, Troy, MI 48084 – Contract Period: January 1, 2014 through December 30, 2014 – Contract Increase: \$2,500,000.00 –Contract Amount Not to Exceed: \$6,500,000.00

**Costs are charged to the using Departments when items are requested; this is a City-Wide contract that may be used by all City Departments to purchase computer equipment, hardware and software.**

**This contract was initially approved April 3, 2012 for a term of 2 years, from January 2012 through December 2013, for estimated costs of \$4,000,000.**

**This request is for a 1-year extension of the contract, through December 2014, with an increase of \$2,500,000 in costs.**

*In the past, the City would establish contracts with multiple computer equipment vendors to ensure competitive pricing. This contract has been the only contract in place for the purchase of computer equipment, since 2012.*

**Contract checklist, dated Feb. 4, 2014, indicates this contract continues to be essential to provide for the quick acquisition of needed computer hardware, software and peripherals.**

**Covenant of Equal Opportunity Affidavit signed 1-9-14; TAXES: Good Through 2-13-15 and 6-30-14; Hiring Policy Compliance Affidavit signed 1-9-14; Slavery Era Records Disclosure Affidavit signed 1-9-14, indicating no records to disclose.**

## **PLANNING & DEVELOPMENT**

2873269 100% Federal Funding (Emergency Shelter Grant) – To Provide Transitional Housing Services for persons who are residents of the City of Detroit – Company: Catholic Social Services of Wayne County/Teen Infant Parenting (TIP), Location: 9851 Hamilton, Detroit, MI 48202 – Contract Period: October 1, 2012 through September 30, 2013 – Contract Amount Not to Exceed: \$58,299.00

**Costs budgeted to Discretionary Grant Fund, Acct. 2002-366145-000795-651147/628500/617900-11815-A3120, Appropriation for Emergency Shelter includes available funding of \$1,870,566 as of February 14, 2014.**

**Funding is indicated to be from the 2012-2013 Emergency Shelter Grant for funding to non-profit organizations which provide shelter, transitional housing and/or support services for the benefit of homeless persons. The Project Coordinator for the Agency is Violet Ponders.**

**This contract is to assist the Agency to provide transitional housing services to a maximum of 16 pregnant and parenting teen females, that are 16 to 18 years old at entry, and their children. The goal of the TIP program is to assist residents in acquiring skills to gain employment and to operate their own household. Residents to learn daily living issues including, money management, housekeeping, child care, meal planning and preparation, and utilization of community resources.**

**Budgeted costs include: Personnel costs of \$40,876; Building maintenance for \$2,856; Utilities for \$8,234; appliances for \$3,000; Residents' bus tickets for \$768; Van maintenance for \$1,200; Education supplies for \$542; Assistance with rent or security deposits for \$873**

**According to the Agency's budget, additional funding, received from other sources, indicated to total \$93,989.**

**Contract checklist, dated June 13, 2013, indicates this contract is based on their NOF proposal.**

**Covenant of Equal Opportunity Affidavit signed 6-12-13; TAXES: Good Through 2-10-15 and 6-30-14; Hiring Compliance Policy Affidavit signed 6-12-13; Slavery Era Records Disclosure Affidavit signed 6-12-13, indicating business established 1946, no records to disclose.**

*The previous contract approved with Catholic Social Services TIP program (No. 2856408), was approved in March 2012, for the period from Oct. 1, 2011 through September 30, 2012, for grant funding of \$49,821.*

*There is also a contract with Catholic Social Services of Wayne County to provide door-to-door transportation services for elderly, disabled and low-income residents for a term from Oct. 1, 2011 through Sept. 30, 2014 for a total not to exceed \$456,645 (\$152,215 per year) through the Dept. of Transportation.*

## **TRANSPORTATION**

*The following information is provided for both of the Transportation contract amendments included on this list.*

**3 Contracts were submitted by Special Letter of Nov. 26, 2013 and approved on Nov. 26, 2013 for the JARC/New Freedom Program. Contracts were approved with: Wrightway Transportation, Contract 2882989 (Note the Contract Number indicated above is incorrect, Purchasing will be submitting a correction), for \$1,180,000; Detroit Area Agency on Aging, Contract 2883525, for \$1,080,000; and Moe Transportation, Contract 2883231 for \$1,116,000.**

**The total cost for the 3 contracts is \$3,376,000 over the 3 year term for \$1,125,333.33 per year.**

**The Job Access and Reverse Commute (JARC) provides transportation services to Low Income to employment locations that are not easily accessible through regular transportation routes; New Freedom program provides transportation to elderly /disabled residents for non-medical emergencies that are not accessible through paratransit or from regular transportation routes.**

**According to information provided in the Purchasing File, 7 Proposals were received and scored, with contracts recommended to the 3 proposals scored the highest.**

**This request is for an amendment to add the definition for client to the Scope of Services for all 3 approved contracts. The term of the contracts and contract costs remain the same. Two contracts, with Wrightway Transportation and Detroit Area Agency on Aging are submitted on this list; the 3<sup>rd</sup> Contract with Moe Transportation will be submitted at a later date.**

**Services provided by Wrightway to eligible riders 7-days per week, 24 hours per day; Services provided by Detroit Area Agency on Aging to eligible riders Monday through Friday (8 am to 6 pm) and Saturdays on a limited basis. Trips provided to all origins and destinations within Wayne, Oakland, Macomb and Washtenaw Counties. Fares are set by DDOT and which includes: JARC for \$1.50; New Freedom for \$2.50. Contractor to collect the fares as partial payment for the trips performed; DDOT to pay Contractor the balance of the cost on a per-trip basis.**

**Detroit Dept. of Transportation to define the parameters that govern services and shall ensure the contractor complies. Contractor may use equipment provided by DDOT. The Dept. is responsible for overseeing all aspects of the services provided: vehicle inspections, compliance with local, state and federal requirements, reconciling and benchmarking service quality, and implementing corrective action that improve poor performance**

**Costs budgeted to Transportation Grants Fund, Acct. 5303-208343-000059-617900-10423-0-DOT51, Appropriation for Job Access & Reverse Commute Grant includes available funding of \$16,083,578 as of February 14, 2014.**

**Transportation Department - *continued***

2883536 80% Federal Funding, 20% State Funding – Change Order No. #1 – To Provide Transportation Services for JARC/New Freedom Program – Company: Wrightway Transportation, Location: 672 Woodbridge, Suite #2, Detroit, MI 48226 – Contract Period: October 31, 2013 through October 31, 2016 – Contract Amount Not to Exceed: \$1,180,000.00

This amendment is to request an addition to the scope of services (First Amended Exhibit A):

A client is a person qualified by the City of Detroit's Department of Transportation Staff as an eligible rider. The City of Detroit's Department of Transportation is solely responsible for determining riders' eligibility for the Services.

The original contract approved by City Council on Nov. 26, 2013; there is no change in money or time.

**Contract checklist, dated Dec. 9, 2013, indicates this contract is essential to provide transportation services to elderly, disabled and low-income residents.**

**Covenant of Equal Opportunity Affidavit signed 6-28-13; TAXES: Good Through 10-12-14 and 6-30-14; Hiring Policy Compliance Affidavit signed 6-28-13; Slavery Era Records Disclosure Affidavit signed 6-28-13, indicating business established 2012, no records to disclose.**

2883525 80% Federal Funding, 20% State Funding – Change Order No. #1 – To Provide Transportation Services for JARC/New Freedom Program – Company: Detroit Area Agency on Aging, Location: 1333 Brewery Park Blvd, Suite #200, Detroit, MI 48207 – Contract Period: October 31, 2013 through October 31, 2016 – Contract Amount Not to Exceed: \$1,080,000.00

This amendment is to request an addition to the scope of services (First Amended Exhibit A):

A client is a person qualified by the City of Detroit's Department of Transportation Staff as an eligible rider. The City of Detroit's Department of Transportation is solely responsible for determining riders' eligibility for the Services.

The original contract approved by City Council on Nov. 26, 2013; there is no change in money or time.

**Contract checklist, dated Dec. 9, 2013, indicates this contract is essential to provide transportation services to elderly, disabled and low-income residents.**

**Covenant of Equal Opportunity Affidavit signed 10-14-13; TAXES: Good Through 8-23-14 and 6-30-14; Slavery Era Records Disclosure Affidavit signed 6-13-12, indicating business established 1980, no records to disclose; Hiring Policy Compliance Affidavit signed 10-14-13, HOWEVER, the Employment Application submitted does include a question - if applicant ever been convicted of a felony. Department requested a waiver from the Hiring Policy Compliance Policy, dated Feb. 12, 2014, from Gary Brown as Chief Operating Officer.**

## **WATER AND SEWERAGE DEPARTMENT**

2888354 100% DWSD Funding – 42-Inch Parallel Water Main, in 24 Mile Road, Romeo Plank Road to Rochester Station – Ric-Man Detroit, Inc., 1001 Woodward Avenue, Suite 1115, Detroit MI 48226 – Contract Period: March 17, 2014 through September 18, 2016 – Contract Amount Not to Exceed: \$29,738,418.00.

**Costs budgeted to Water Bond Fund, Acct. 5519-417162-004373-617900-13522-631003-A6000, Appropriation for Construction includes available funding of \$142,081,131 as of Feb. 17, 2014 (budget information provided by Water and Sewerage, Contracts and Grants Division).**

**This project was advertised for open competitive bids on Sept. 16, 2013; 5 Bids were received and opened on November 6, 2013.**

**This recommendation is for the Lowest Bid received from Ric-Man Detroit for the indicated Bid Price of \$29,738,418.**

**Other bids received include: L.D'Agostini and Sons for \$31,600,827; joint venture of D4 Enterprises and Barton Malow for \$32,883,417; Oscar Renda Construction for \$35,642,621; and Dan's Excavating for \$36,383,460.37.**

**According to information provided to the Board of Water Commissioners, subcontractor participation includes: GM and Sons, Inc., State Barricades, Inc. PK Contracting, Inc. and Finishing Touch Photo and Video; additional subcontractor participation to be determined later.**

**The department indicates the existing 36-inch water main in 24 Mile Road, between Fairchild and Rochester Station has been experiencing issues with water pressure, demand deficiencies and frequent breaks. The recommendation is for the installation of a new parallel Water Main in 24 Mile Road to address the current problems. There will be several interconnections between the existing 36-inch main and the new proposed 42-inch main, that will allow repairs to be made without removing water services to the customers.**

**This project is to furnish and install approximately 35,332 lineal feet of 42-inch diameter water main, including all connections and related structures in 24 Mile Road from Romeo Plank to Rochester Station; and the removal/replacement of 527 linear feet of 36-inch diameter pipe. This is Phase III and indicated to be the final phase of this project.**

*Phase I was approved with L.D'Agostini and Sons (Contract 2718007 / WS-673) the week of Dec. 4, 2006 for installation of 42-inch water main in 24 Mile Rd. from Romeo Plank Rd to Foss Road (11,855 linear feet) for a cost of \$6,175,865.*

*Phase II was approved with L.D'Agostini and Sons (Contract 2841558 / WS-674) July 26, 2011 for installation of 42-inch water main in 24 Mile Rd. from Foss Rd. to Fairchild Rd. (13,355 linear feet) for a cost of \$8,669,781.08. Phases I and II are indicated to have been completed.*

**The estimated term of the contract is indicated to be 916 days or about 2 ½ years.**

*Discussion continues on following page*

**Water and Sewerage Department - *continued***

2888354      100% DWSD Funding – 42-Inch Parallel Water Main, in 24 Mile Road, Romeo Plank Road to Rochester Station – Ric-Man Detroit, Inc., 1001 Woodward Avenue, Suite 1115, Detroit MI 48226 – Contract Period: March 17, 2014 through September 18, 2016 – Contract Amount Not to Exceed: \$29,738,418.00.

***Continued Discussion of this contract***

**The Bid Price for the required work, submitted by Ric-Man Detroit was \$23,238,418. Added to this amount, by the Department, are the following items: Provisional Allowance for \$1,500,000; Allowance for Permits at \$200,000; Provisional Allowance for disposal of contaminated soils for \$150,000; Allowance for Macomb Co. Road Department requirements, for \$4,650,000.**

**Covenant of Equal Opportunity Affidavit signed 12-18-13; TAXES: Good Through 10-29-14 and 6-30-14; Board of Water Commissioners approved December 18, 2013.**

***This business also provides snow removal, through the Dept. of Public Works, under Contract 2854365, which was initially approved Dec. 6, 2011 for 1 year at a cost of \$259,584 per year; the contract has been renewed 2 years; the most recent renewal was submitted the Week of Dec. 9, 2013, to through December 2014, with no increase to the total costs of the contract.***

***Business also has provided hauling of high-calcium limed biosolids, for DWSD, to be hauled from the Wastewater Treatment Plant to landfills on an emergency basis, until 2 incinerators could be repaired and brought back into operation, for a period from Nov. 2011 through April 2012, for an estimated cost of \$641,000.***